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THE SURPLUS QUESTION.

I. Our reasons for agreeing to receive a fixed annual sum in lieu of the actual Surplus :-

(i) We cannot be perfectly sure of the future attitude of the Government of India; witness their whole-hearted support of Mr. Barton's 30 page note of history and argument. It would be very easy, as past experience has shown, for the C. & M. Administration to Spend all the revenues they get from the C & M. Station.

(ii) To avoid all cause of misunderstanding or controversy between the Government of India and Mysore in future.

Copy of note from Sir K. Seshadri to Mr. Rae Wilkinson

II. The accumulated arrears should, in fairness, be paid in full to the State. This will be not only the fulfilment of a solemn promise, but some recognition of the War services rendered by the State. Our Financial position is really serious. A few lakhs more or less matter little to the Government of India, whereas they mean a great deal to the State. Cannot Mysore hope for some consideration and sympathy from the Supreme Government in her time of need ?

III. The Surplus question should be kept separate from the Subsidy. That means to say that the Surplus should not be paid out of the Subsidy, and the Subsidy reduced to that extent. Our reasons for making this request :-

(i) It would prejudice the consideration of the Subsidy question, and might estop us from

pressing for a decision, and

(ii) The Sovereign rights of the Maharaja would be adversely affected, and the political status of the Tract would, as time goes on, undergo a change to the detriment of Mysore - if no amount is received yearly by the Durbar as Surplus from the Tract.

The tendency to make the assigned tract a political "enclave", quite independent of Mysore, has long been manifest, but it is becoming more pronounced of late.